

The full text of the Senator Whitehouse's remarks, as prepared for delivery, is below.

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Senator Sheldon Whitehouse

Opening Statement: Conference Committee

The Concurrent Resolution on the Budget for FY 2014

October 30, 2013

Chairman Ryan, Chairman Murray, thank you for your leadership in bringing together this Conference Committee. We're still recovering from the worst recession of our lifetimes; a harmful budget sequester is eroding our economy; and a debt limit once again looms. We have critical work to do.

In poll after poll, Americans have been clear that the most urgent issue facing our nation is the weak economy and lack of jobs. Unfortunately, federal budget policy in recent years has been dragged toward the dangerous "austerity" path, and largely ignored the role that, for instance, infrastructure, research, and energy efficiency investments can play in supporting job growth.

Europe's failed austerity experiments inflicted significant economic harms while not delivering the promised budget improvements. At home, the dangers of austerity budgeting show in the sequester, which to its credit was designed to be stupid and painful, and has filled the bill.

In August, Senator Jack Reed and I convened a meeting in Rhode Island to discuss the effects of the sequester in Rhode Island. We heard about layoffs in the defense industry, civilian personnel forced to take unpaid leave, children unable to enroll in Head Start, and a cruel \$40 a week cut to unemployment insurance, with unemployment in our state hovering around 9 percent.

We also heard about more lasting damage. Karen Markin, Director of Research Development at the University of Rhode Island said, "[T]hese budget cuts are insidious, because we won't feel the consequences for a few years. And when we do, it will be subtle but devastating in the long run. It will be the absence of innovations in science, technology and medicine at the pace we have come to expect. It's like deferred maintenance—it seems innocuous now, but it will come back to bite us several years

from now. We can probably recover from a single year of treading water in scientific discovery, but if this keeps up, the nation's scientific research enterprise will begin to erode."

We must replace the sequester with policies that support job growth. Our efforts to date have been heavily in the form of spending cuts. Of the \$2.5 trillion in deficit reduction since 2011, we've cut spending on government programs by \$1.5 trillion. That compares with only \$600 billion in deficit-reducing revenue—mostly from letting the Bush tax cuts on high-income earners expire this January.

And that compares to zero in another costly area of federal spending: spending through the tax code. I say to my fellow Conferees, you cannot say that the debt and deficit are (a) a mortal threat to our nation and (b) less important than every tax loophole. The Senate budget generates \$975 billion from loophole-closing revenue—and I'd urge you to take an honest look at this untouched tax spending.

The tax loopholes I'd like to devote to deficit reduction are ones we should close anyway. Big Oil does not need taxpayer subsidies. Companies should not be rewarded for shifting assets to foreign countries. Billionaires should not pay lower tax rates than brickmasons. Correcting these would be fair, and can help us create jobs and grow the economy.

I'll close on health care. The potential savings from health care delivery system reform are tremendous. Experts from the President's Council of Economic Advisors, to the Lewin Group and former Bush Treasury Secretary O'Neil, to the Institute of Medicine estimate \$700 billion to \$1 trillion in nationwide health care savings every year without compromising health outcomes – all by addressing things like medical errors and our backwards payment structure. Since over 40 percent of total health spending is federal, that means huge potential federal savings.

In fact, according to CBO, it already has. Since 2010 when the Bowles-Simpson commission recommended we cut our deficits by \$4 trillion, we've seen CBO's estimates for Medicare and Medicaid drop by \$1.2 trillion—substantial savings that have not been included in the official deficit reduction tallies. I look forward to working with Conferees on both sides to support policies to deliver the savings and better health care Americans deserve.

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